

## FY07-12 PUBLIC SERVICES PROGRAM: FISCAL PLAN

## WATER QUALITY PROTECTION FUND

| FISCAL PROJECTIONS                                    | FY06<br>ESTIMATE   | FY07<br>REC        | FY08<br>PROJECTION | FY09<br>PROJECTION | FY10<br>PROJECTION | FY11<br>PROJECTION | FY12<br>PROJECTION |
|---|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| <b>ASSUMPTIONS</b>                                    |                    |                    |                    |                    |                    |                    |                    |
| Indirect Cost Rate                                    | 12.60%             | 12.76%             | 12.76%             | 12.76%             | 12.76%             | 12.76%             | 12.76%             |
| CPI (Fiscal Year)                                     | 3.7%               | 2.6%               | 2.6%               | 2.7%               | 2.7%               | 2.7%               | 2.7%               |
| Investment Income Yield                               | 4.2%               | 4.6%               | 4.7%               | 4.7%               | 4.8%               | 4.9%               | 4.9%               |
| Number of Equivalent Residential Units (ERU)          | 237,673            | 240,050            | 242,451            | 244,875            | 247,324            | 249,797            | 252,295            |
| Rate per ERU  | 19.35              | 18.20              | 18.20              | 16.70              | 16.70              | 16.70              | 16.70              |
| Collection Factor for Charge                          | 99.5%              | 99.5%              | 99.5%              | 99.5%              | 99.5%              | 99.5%              | 99.5%              |
| <b>BEGINNING FUND BALANCE</b>                         | <b>70,610</b>      | <b>340,830</b>     | <b>519,310</b>     | <b>723,250</b>     | <b>674,570</b>     | <b>688,880</b>     | <b>689,530</b>     |
| <b>REVENUES</b>                                       |                    |                    |                    |                    |                    |                    |                    |
| Charges For Services                                  | 4,575,980          | 4,347,070          | 4,390,540          | 4,068,970          | 4,109,660          | 4,150,750          | 4,192,260          |
| Investment Income                                     | 140,000            | 160,000            | 170,000            | 180,000            | 190,000            | 200,000            | 210,000            |
| <b>Subtotal Revenues</b>                              | <b>4,715,980</b>   | <b>4,507,070</b>   | <b>4,560,540</b>   | <b>4,248,970</b>   | <b>4,299,660</b>   | <b>4,350,750</b>   | <b>4,402,260</b>   |
| <b>INTERFUND TRANSFERS (Net Non-CIP)</b>              | <b>(111,850)</b>   | <b>(131,760)</b>   | <b>(131,760)</b>   | <b>(131,760)</b>   | <b>(131,760)</b>   | <b>(131,760)</b>   | <b>(131,760)</b>   |
| Transfers To The General Fund                         | (111,850)          | (131,760)          | (131,760)          | (131,760)          | (131,760)          | (131,760)          | (131,760)          |
| Indirect Costs  | (111,850)          | (131,760)          | (131,760)          | (131,760)          | (131,760)          | (131,760)          | (131,760)          |
| <b>TOTAL RESOURCES</b>                                | <b>4,674,740</b>   | <b>4,716,140</b>   | <b>4,948,090</b>   | <b>4,840,460</b>   | <b>4,842,470</b>   | <b>4,907,870</b>   | <b>4,960,030</b>   |
| <b>CIP CURRENT REVENUE APPROP.</b>                    | <b>(451,630)</b>   | <b>(450,000)</b>   | <b>(500,000)</b>   | <b>(500,000)</b>   | <b>(525,000)</b>   | <b>(525,000)</b>   | <b>(550,000)</b>   |
| <b>PSP OPER. BUDGET APPROP/ EXPS.</b>                 |                    |                    |                    |                    |                    |                    |                    |
| Operating Budget                                      | (3,882,280)        | (3,746,830)        | (3,641,840)        | (3,492,890)        | (3,440,590)        | (3,490,340)        | (3,542,230)        |
| Labor Agreement                                       | n/a                | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  |
| Annualizations and One-Time                           | n/a                | n/a                | 0                  | 0                  | 0                  | 0                  | 0                  |
| FFIs from CIP projects and Est. Staffing Requirements | n/a                | n/a                | (83,000)           | (173,000)          | (188,000)          | (203,000)          | (293,000)          |
| <b>Subtotal PSP Oper Budget Approp / Exp's</b>        | <b>(3,882,280)</b> | <b>(3,746,830)</b> | <b>(3,724,840)</b> | <b>(3,665,890)</b> | <b>(3,628,590)</b> | <b>(3,693,340)</b> | <b>(3,835,230)</b> |
| <b>OTHER CLAIMS ON FUND BALANCE</b>                   | <b>0</b>           | <b>0</b>           | <b>0</b>           | <b>0</b>           | <b>0</b>           | <b>0</b>           | <b>0</b>           |
| <b>TOTAL USE OF RESOURCES</b>                         | <b>(4,333,910)</b> | <b>(4,196,830)</b> | <b>(4,224,840)</b> | <b>(4,165,890)</b> | <b>(4,153,590)</b> | <b>(4,218,340)</b> | <b>(4,385,230)</b> |
| <b>YEAR END FUND BALANCE</b>                          | <b>340,830</b>     | <b>519,310</b>     | <b>723,250</b>     | <b>674,570</b>     | <b>688,880</b>     | <b>689,530</b>     | <b>574,800</b>     |
| <b>END-OF-YEAR RESERVES AS A</b>                      |                    |                    |                    |                    |                    |                    |                    |
| <b>PERCENT OF RESOURCES</b>                           | <b>7.3%</b>        | <b>11.0%</b>       | <b>14.6%</b>       | <b>13.9%</b>       | <b>14.2%</b>       | <b>14.0%</b>       | <b>11.6%</b>       |

**Assumptions:**

1. These projections are based on the Executive's Recommended budget and include negotiated labor agreements, the operating costs of capital facilities, the fiscal impact of approved legislation or regulations, and other programmatic commitments. The projected future expenditures, revenues, and fund balances may vary based on changes to charges, usage, inflation, future labor agreements, and other factors not assumed here.
2. The labor contract with the Municipal and County Government Employees Organization, Local 1994 expires at the end of FY07.
3. The Water Quality Protection Charge is applied to all residential and associated non-residential properties (associated non-residential properties are non-residential properties that drain into the stormwater facilities of residential properties), except for those in the cities of Rockville and Takoma Park.
4. Residential and associated non-residential property stormwater facilities will be maintained to permit standards as they are phased into the program.
5. Charges are adjusted to maintain a balance of 10-15 percent of resources.
6. Operating costs for new facilities completed between FY07-FY12, and estimated Personnel Costs for two new staff members (FY09 and FY12), have been incorporated in the Future Fiscal Impact (FFI) row.
7. If the WQPC is used to fund other water resource protection programs beyond its current scope, the fund balance policy will be reevaluated.